IAL Consultants has recently published the fourth edition of its report entitled "Global Overview of the Thermoplastic Polyurethane Market." Thermoplastic polyurethanes account for less than 5% of the total global production of polyurethane products, but over the past few years they have experienced one of the fastest growth rates in the industry due to their high versatility. However, the economic downturn of 2008/2009 badly hit every industrial sector and this market was no exception. Today, with the reawakening of the global economy, the demand for thermoplastic polyurethanes has started to resurge once more, albeit lower growth rates persist. Indeed, 2012 was a year of stabilisation, with the overall demand being driven by the partial recovery of industries like the automotive sector.

In fact, the thermoplastic polyurethanes market is relatively mature in the Western hemisphere. Strong growth prospects still remain in the East, where the Asian region leads world thermoplastic polyurethane production with 249,250 tonnes produced in 2012. This accounts for 58% of world production of 428,360 tonnes.

China is the world’s leading producer, and consumer, of TPU. This was fostered by past developments, which saw many Western companies increasing their presence in China, and to a lesser extent, other Asian countries, as a result of the lower manufacturing and labour costs. Now, countries like Indonesia and Vietnam are
progressively attracting foreign investments as China continues to become more expensive and thereby loses some of its competitive edge.

The latest pertinent industry expansions and relocations come from the polytetramethylene ether glycol (PTMEG) business sector. This raw material is particularly relevant to producers of spandex, which are now shifting their production to this region. In turn, this has had a remarkably detrimental effect on the TPU film and sheet market segment, especially in North America.

Similarly, TPU producers are emerging in the market of Turkey for the first time ever. Nonetheless, the demand for TPU remains limited in the Middle East and Africa.

With the increasing competition of other thermoplastic elastomers, TPU manufacturers continue to focus their product development efforts on special properties such as increased softness and heat resistance. In addition, development work is also focusing on other advanced properties such as chemical resistance, light stability, durability, flame retardancy and the improvement of halogen-free TPU products. Consequently, TPU applications are expected to expand further into higher value-added areas. Otherwise, the continuous preference for TPUs over PVC keeps on positively impacting the demand.

Footwear and engineering are the two most dominant applications for TPUs, accounting for 133,015 tonnes and 111,730 tonnes of TPU demand, respectively, and together they account for 60% of the market.

At the moment, TPU applications related to wire and cable jacketing are one of the most dynamic end-use segments, despite it only representing 8% of the total global demand. Public and private funding in the oil and gas exploration industries has led to the intensified consumption levels being reported.
A new market is developing for TPUs in the electronics field. TPU is successfully replacing silicone in high quality cases for smart phones, tablets, netbooks and consoles among others. Although this is a fast developing market, it is still a niche.

Forecasts indicate that global production of TPU will increase by 5.0% CAGR up until 2017. The largest increase will be seen in Asia, with 7.0% growth per annum, whereas growth in the Americas could reach 2.6% per annum, and the EMEA region is expected to lag behind with a growth rate of just 1.5%.

**A Global Overview of the Thermoplastic Polyurethane Market** is now available from IAL Consultants, priced at €3,500.

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